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PUBLIC SERVICE
COMMISSION

February 15, 2008

HAND DELIVERED

Ms. Elizabeth O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard
Frankfort, KY 40602

Re: PSC Case No. 2007-00553

Dear Ms. O'Donnell:

Please find enclosed for filing with the Commission in the above-referenced case an original and six copies of the responses of East Kentucky Power Cooperative, Inc., to the Commission Staff's First Data Request, and the Attorney General's Request for Information, dated February 1, 2008.

Very truly yours,



Charles A. Lile
Corporate Counsel

Enclosures

Cc: Dennis Howard II, Esq.
Paul D. Adams, Esq.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

EAST KENTUCKY POWER COOPERATIVE)
INC.'S FILING TO RESUME THE DEMAND-)
SIDE MANAGEMENT DEMONSTRATION)
PROJECT FOR DIRECT LOAD CONTROL OF) CASE NO. 2007-00553
WATER HEATERS AND AIR CONDITIONERS)

CERTIFICATE

STATE OF KENTUCKY)
)
COUNTY OF CLARK)

William A. Bosta, being duly sworn, states that he has supervised the preparation of the responses of East Kentucky Power Cooperative, Inc. to the Public Service Commission Staff First Data Requests in the above-referenced case dated February 1, 2008, and that the matters and things set forth therein are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

William A. Bosta

Subscribed and sworn before me on this 15th day of February, 2008.

Beggy S. Duffin
Notary Public

My Commission expires:

December 8, 2009

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**PUBLIC SERVICE
COMMISSION**

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

**EAST KENTUCKY POWER COOPERATIVE)
INC.'S FILING TO RESUME THE DEMAND)
SIDE MANAGEMENT DEMONSTRATION) CASE NO. 2007-00553
PROJECT FOR DIRECT LOAD CONTROL OF)
WATER HEATERS AND AIR CONDITIONERS)**

**RESPONSES TO COMMISSION STAFF'S FIRST DATA REQUEST
TO EAST KENTUCKY POWER COOPERATIVE, INC.
DATED FEBRUARY 1, 2008**

EAST KENTUCKY POWER COOPERATIVE, INC

PSC CASE NO. 2007-00553

FIRST DATA REQUEST RESPONSE

COMMISSION STAFF'S FIRST DATA REQUEST DATED 02/01/08

REQUEST 1

RESPONSIBLE PARTY: William A. Bosta

Request 1. Has EKPC developed marketing materials in anticipation of promoting this project as a permanent program? If yes, provide copies of the marketing materials.

Response 1. No. EKPC has not produced any marketing materials in anticipation of resumption of the PSC Pilot or as a permanent program.

EAST KENTUCKY POWER COOPERATIVE, INC

PSC CASE NO. 2007-00553

FIRST DATA REQUEST RESPONSE

COMMISSION STAFF'S FIRST DATA REQUEST DATED 02/01/08

REQUEST 2

RESPONSIBLE PARTY: William A. Bosta

Request 2. Explain the process through which Good Cents Solutions was chosen as the administrator of the project. If there was an RFP involved in the selection process, provide the estimates submitted by all respondents.

Response 2. EKPC did not issue an RFP for services. EKPC was aware of GoodCents Solutions favorable reputation in the utility industry for managing projects similar to EKPC's DLC pilot program. Further, EKPC had been following E.ON's DLC program for several years and understood that GoodCents Solutions provided services to them. EKPC met with GoodCents and, given EKPC's goals for the pilot and the timeframe for beginning the pilot, selected them for the pilot program.

EAST KENTUCKY POWER COOPERATIVE, INC
PSC CASE NO. 2007-00553
FIRST DATA REQUEST RESPONSE

COMMISSION STAFF'S FIRST DATA REQUEST DATED 02/01/08
REQUEST 3

RESPONSIBLE PARTY: William A. Bosta

Request 3. Explain whether there has been any indication from EKPC's Member Systems or those Members' customers that there is interest in participating in this program. Identify the Member Systems that have expressed an interest in this program in addition to the current participants.

Response 3. EKPC is requesting that the Commission approve a tariff change to allow Big Sandy RECC and Blue Grass Energy to continue the Pilot until such time as an Application for a permanent program is filed and approved. Other Member Systems have been made aware of the operational aspects and study findings of the Pilot. All of the Member Systems are aware of the potential benefits of the program and are in the process of gaining more knowledge about it. A formal Resolution for a permanent program is expected to be submitted to the Board of Directors in March for their approval, with the intent to file a permanent program by March 31.

EAST KENTUCKY POWER COOPERATIVE, INC

PSC CASE NO. 2007-00553

FIRST DATA REQUEST RESPONSE

COMMISSION STAFF'S FIRST DATA REQUEST DATED 02/01/08

REQUEST 4

RESPONSIBLE PARTY: William A. Bosta

Request 4. Explain how the incentive would be paid to residential participants living in a multi-family residence.

Response 4. For the resumption of the Pilot program, only those customers who were participants as of September 30, 2007 will be eligible to continue in the Pilot. At that time, there were no participants living in multi-family residences. EKPC is in the process of considering how to handle multi-family residences for the permanent program.

EAST KENTUCKY POWER COOPERATIVE, INC
PSC CASE NO. 2007-00553
FIRST DATA REQUEST RESPONSE

COMMISSION STAFF'S FIRST DATA REQUEST DATED 02/01/08
REQUEST 5

RESPONSIBLE PARTY: **William A. Bosta**

Request 5. Refer to Section III Key Assumptions, page 1 of the report outlining the results of this project, filed on December 20, 2007. How did EKPC arrive at the assumption of 50,000 participants? Include all necessary calculations and workpapers used by EKPC to make the assumption.

Response 5. EKPC does not intend to expand the number of participants for purposes of resuming the pilot. The 50,000 participants estimate for a permanent program is based on determining the size of the potential market – the total number of eligible appliances (central air conditioners and electric water heaters greater than 40 gallons) – and applying an achievable yet challenging participation rate of 15%.